

The Locarnese in Zurich: Muralt, Orelli and the Making of a Financial Dynasty — overview and summary

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When the Reformed families of Locarno crossed the Alps in the spring of 1555, they left behind houses, land, offices and a town in which several of them had belonged to the ruling nobility for four centuries. They arrived in a city of a few thousand inhabitants which had adopted Zwingli's Reformation a generation earlier, which was governed by its guilds and which had no particular reason to welcome a group of Italian-speaking merchants, physicians and artisans who might compete with its own citizens. Two hundred years later the descendants of some of these refugees sat in the Small Council of Zurich, ran silk firms whose goods were sold from Bergamo to Frankfurt, edited classical authors and published the newspaper that became the *Neue Zürcher Zeitung*. This chapter asks how that transformation happened, what it owed to the refugees themselves and what it owed to the institutions of the city that received them.

The argument of the chapter is that the Locarnese contribution to Zurich was real, although more modest and more gradual than the family histories of the seventeenth and eighteenth centuries claimed. The refugees did not found the Zurich silk industry single-handedly. Nor did the city open its doors without reservation. Their lasting importance lay in three things: they brought commercial connections with Lombardy and the Italian silk markets at a moment when Zurich needed new trades, they intermarried with the leading Zurich families and they persisted, generation after generation, through a long apprenticeship in civic rights. Capital accumulated slowly in the putting-out system (*Verlagswesen*), passed from trade into credit and was eventually channelled through institutions such as Leu & Co., founded under state auspices in 1755, which was later described as the oldest bank in Switzerland. The history of the Locarnese

families is therefore a case study in how refugee capital becomes local capital, and in how legal status, guild law and citizenship shape that process.

The chapter follows on from Chapter B.I, which describes the Reformed community of Locarno, the decisions of the ruling cantons in 1554 and the journey of 1555. It does not retell those events. Chapter B.III turns to the Catholic economy of credit that developed in the Italian-speaking bailiwicks after the exiles had left. The present chapter first examines the terms on which Zurich received the newcomers and the life of their Italian congregation. It then follows the Muralt and Orelli families and their associates, the beginnings of silk and velvet production, the Zurich silk industry and its putting-out system, the passage from merchant capital to banking, and the scholarly and political roles of the Orelli and Muralt in the eighteenth and nineteenth centuries. A comparative section places the Locarnese next to the Luchese and Huguenot refugees of Geneva, who are treated more fully in the Geneva volume. The final section turns to the modern law under which wealthy families and their assets move to Switzerland today.

1 Conclusion

The Locarnese who reached Zurich in May 1555 found protection at once and full membership only after generations. The city gave them asylum, a church of their own and the opportunity to trade, but it confined them to activities that did not threaten the guilds and admitted them to citizenship individually and late. Refused full citizenship three times, the Orelli obtained it only in 1679, the year in which a member of the family first held political office in Zurich. Within these limits the refugees used what they had brought with them: knowledge of the Lombard markets, commercial connections with Bergamo, Milan and Verona, and in a few cases technical skills such as velvet weaving. Evangelista Zanino's manufactory of the 1560s, the first large industrial enterprise in German-speaking Switzerland, failed. The more patient strategy of the Orelli and the Muralt, who built their silk and textile businesses within the putting-out system and intermarried with the native silk families, succeeded.

The family histories of the seventeenth century claimed that the Locarnese had founded the Zurich silk industry, a claim that modern research has corrected. Native merchants such as the Werdmüller supplied much of the capital, other Italian exiles such as Francesco Turrettini supplied expertise, and the city's monopoly policy shaped the structure of the industry. The Locarnese contribution was nevertheless real and lasting. Their descendants became part of the network of silk families whose capital,

accumulated over two centuries, flowed into Leu & Co. in 1755, into private banks such as the firm founded by the Schulthess in 1750 that became Rahn+Bodmer, into the Bank in Zürich of 1836 and into the industrial and financial institutions of the nineteenth century. Hans Conrad von Muralt presided over the commercial directorate and co-founded a bank and a machine factory, while the Orelli gave their name to Orell Füssli, the printer of Swiss banknotes.

The comparison with Geneva shows the importance of institutions. Geneva, with weaker guilds and a much larger refugee population, was transformed by its refugees within a generation. Zurich absorbed its refugees slowly and on its own terms. Both cities eventually profited from the skills and networks of the newcomers and developed financial centres in which families with dispersed members and assets could rely on stable legal institutions. Modern Swiss law still reflects the distinction between protection and citizenship that the Locarnese experienced: residence permits for wealthy foreigners, lump-sum taxation under Art. 14 DBG, naturalization only after ten years, and a law of family foundations that remains more restrictive than many families would wish. The next chapter turns from the Protestant exiles to the Catholic south they left behind, where Carlo Borromeo's reform shaped a different economy of credit and conscience.

2 In five sentences

In 1555 about a hundred Reformed exiles from Locarno reached Zurich, where the council granted them protection and an Italian church but admitted them to citizenship only individually and late. Families such as the Orelli and the Muralt began as traders with Lombardy, moved into silk, velvet and textile manufacturing within the putting-out system and obtained full civic rights only towards the end of the seventeenth century. The claim that the Locarnese founded the Zurich silk industry goes back largely to Daniel Orelli's account of 1683, whereas modern research stresses the role of native merchants such as the Werdmüller and of other Italian exiles such as Francesco Turrettini. The capital accumulated by the silk families passed into the Leu bank founded in 1755, into private banks such as the house that became Rahn+Bodmer and into the institutions of the nineteenth-century Zurich economy, while the Orelli gave their name to Orell Füssli and produced scholars, jurists and public servants. Modern Swiss law still distinguishes between residence, which wealthy families can obtain quickly through permits and lump-sum taxation, and citizenship, which requires years of residence and integration, a distinction the Locarnese of 1555 would have recognized.

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